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ERIE COUNTY: Surplus spurs debate between Collins, Poloncarz

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Erie County's executive and comptroller agree the county has a more than \$40 million surplus, but can't get together on the proper use for it.

County Executive Chris Collins touted the accomplishment Thursday during his State of the County address, proud of the fact that the county's budgeting turned stimulus funds into extra revenue instead of a stop gap measure.

"Every penny of federal stimulus Medicaid relief was added to the multi-million dollar operating surplus we generated by running Erie County like a business, focused on taxpayers and implementing Lean Six Sigma across all county departments. That is not the story in other counties across New York state, where they struggle with multi-million dollar deficits, double-digit tax increases, one-shot revenue enhancers and the sale of tax liens," Collins said.

While Comptroller Mark Poloncarz was also glad to see the county ending 2009 in the black, he disagreed with Collins' estimation of how the stimulus money should be used. Poloncarz said the executive's decision to keep the funding in the county's general fund goes against the federal government's intent in sending it out.

"As President Obama noted when the stimulus package was announced, this money was intended to help local governments plug holes in their budgets and then to be spent to create jobs to stimulate the economy," Poloncarz said. "It was not meant as a windfall to pad local governments' piggybanks, but that is exactly what was done in Erie County."

Members of the legislature hoped to see some of the money used to restore items cut out of the state budget, such as day care programs formerly extended to the children of poorer workers. Legislators argued against Collins' cuts to those programs, saying the loss of child care left the parents with no option but to go back on welfare.

Collins disagreed on both fronts. In his speech, the executive pledged that the money would not be spent on new programs or new jobs. Instead, he listed several outstanding county debts that he plans to eliminate, including:

- \$4 million in county road fund debt.
- \$8 million in pension obligations.
- \$18 million in capital debt related to the Erie County Medical Center.

Collins is confident that slashing those debts will eliminate the remaining problems left over from Joel Giambra's administration. He also wants to create a \$10 million fund to stabilize property tax rates going forward.

"With all the uncertainty surrounding future years related to the economy, cost shifting from Albany, public pension obligations, inflation and other variables, we can't be too conservative when it comes to protecting our future," Collins said.

The executive called on the legislature's minority to help him create the fund, but they will need to enlist votes from the Democratic side to get things done. But Legislature Chairwoman Barbara Miller-Williams, who allied herself with Republican legislators to take the leadership post, is one of the primary supporters of the day care services Collins cut, leaving the executive with few options for garnering that assistance.

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